

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0771-01
Bill No.: HB 294
Subject: Public Service Commission; Consumer Protection; Telecommunications
Type: Original
Date: January 31, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Office of Public Counsel** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Economic Development - Public Service Commission** (PSC) assume that under the proposed legislation they would need to promulgate two rulemakings and enforce these rules. However, officials noted the proposed legislation would have no fiscal impact on their agency.

Officials from the **Office of Secretary of State** assume this proposal requires the Public Service Commission to promulgate rules relating to consumer protection for long distance telephone service subscribers. Based on experience with other divisions, the rules, regulations and forms issued by the Public Service Commission could require as many as 12 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the *Code* because cost statements, fiscal notes and the like are not repeated in *Code*. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. Therefore, the costs for FY 02 are estimated at \$738. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

The proposed legislation could impact small businesses in the interexchange telecommunications service industry.

DESCRIPTION

This proposal requires, as of January 1, 2002, that every long distance telecommunications service company provide, on its customer service or information telephone number, an option to cancel service and to receive confirmation of the cancellation. Upon cancellation notification, the company will immediately disconnect the service and notify the local telecommunications service company not to route long distance calls to that long distance service company for that customer. Once notified, the local telecommunications service company will not route long distance calls to that long distance carrier for that customer.

This proposal also requires that for any long distance call initiated in Missouri using calling cards, credit cards, pay telephone calls, or services using telephone numbers connecting the consumer to another long distance company or other entity, the consumer will be informed, by either a live operator or automated system, of the default long distance telecommunications company for the call, the rate the consumer will be charged for the call, and any fixed-rate connection or other service charges associated with the call.

The Public Service Commission is authorized to make rules for the enforcement of the provisions of this proposal.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development - Office of Public Council
Department of Economic Development - Public Service Commission
Office of Secretary of State



Jeanne Jarrett, CPA
Director

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